revised estimate. Under ordinary revenues, an increase of Rs. 2.7 crores over the revised estimates has been taken into account. The yield from sales tax is expected to go up by Rs. 1 crore in the coming year. It is also assumed that the necessasy legal measures for the collection of land tax could be brought into force in the near future.

EXPENDITURE

30. The expenditure on revenue account is estimated to be Rs. 76·00 crores which is higher than the revised estimate by nearly Rs. 6 crores. The Capital expenditure outside the revenue account is placed at Rs. 13.88 crores, while the estimate of disbursements of loans and advances (net) is fixed at Rs. 18.13 crores which is almost double the revised estimate. The abnormal increase under loans and advances is accounted for by the fact that the provision for loans to the Kerala State Electricity Board is fixed at Rs. 15.7 crores against the revised estimate of Rs. 8 crores, in view of the substantially larger outlay for Power originally agreed to at the discussions with the Planning Commission. Excluding this item, the increase under loans and advances (net) is only Rs. 1 crore.

ANNUAL PLAN 1964-65

31. The State's Plan outlay for 1964-65 agreed to by the Planning Commission at the time of the Annual Plan discussions was Rs. 44.17 crores. This meant that the Central assistance for the State Plan for 1964-65 should be Rs. 29.50 crores, as the Planning Commission had assessed the State's own resources for the Annual Plan at Rs. 14.67 crores. The budget estimates for 1964-65 have been prepared on the above basis, the actual amount budgeted for being a little higher viz., Rs. 44.37 crores which is Rs. 11 crores over this year's outlay. The Central share on Centrally sponsored schemes has been tentatively taken at Rs. 5.62 crores on the basis of the approved pattern for individual schemes. Inculding the provision of Rs. 15 lakhs as States share for Local Development Works the gross Plan outlay comes to Rs. 50·14 crores.

32. The Planning Commission has, since the preparation of the detailed budget estimates, intimated that the Central assistance for the State Plan for 1964-65 is fixed at Rs. 26.20 crores and that the State Plan outlay might be correspondingly reduced from Rs. 44.17 to Rs. 40.87 crores. The State Government have taken up the question with the Government of India. The State Plan expenditure for next year may have to be regulated on the basis of the final decision on the quantum of Central assistance. I do, however, hope that the State would be getting the outlay originally agreed to by the Planning Commission.

POWER

33. The current year's outlay for Power is Rs. 11·4 crores and this would be spent in full. The third unit of the Neriamangalam power station was commissioned in May 1963. The Panniar power station has also been commissioned this year as programmed. The installed capacity at the end of the year will be 192·5 megawatts as against 147·5 megawatts at the beginning of the year. The works on the Sholayar and Sabarigiri Projects are in full swing. All attempts are being made to commission these projects as quickly as possible.

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34. The outlay for Power proposed for 1964-65 is Rs. 18·5 crores as agreed to at the annual Plan discussions. But in case the Plan outlay has to be reduced owing to the scaling down of Central assistance Power will have to bear a drastic cut. The main target for 1964-65 is the commissioning of the Sholayar power station which will increase the installed capacity in the system by 54 megawatts. The erection of the generating plant at Sabarigiri power station is expected to be started during the year. The major portion of the Pamba-Pallom-Alwaye 220 KV line is also proposed to be completed. Under the distribution and rural electrification programmes, 120 new centres are to be electrified, 26,000 consumers connected up and 11,000 street lights installed during the coming year.

INDUSTRIES

35. I need not recount the various steps that have been taken by the Government during the recent years to promote industrialisation. Even though there was considerable industrial advancement in the country as a whole during the first two Plan period the industrial structure in Kerala remained more or less stagnat. Investment on industries in the First and Second Plans was meagre. This picture is now changing. Industrial development has been given greater stress in the Third Plan. We have been successful in persuading the Government of India to start a number of Central sector enterprises in the State. They have helped in establishing a solid base for rapid industrialisation and are in themselves capable of stimulating the growth of numerous subsidiary industries. The industrial policy statement of June 1960 offering maximum aid to industrialists coupled with fair deal to labor has created confidence in private entrepreneurs. In short, the climate is now more favourable than it was at any time before, and the State is proceeding steadily towards the goal of industrialisation. We are, I should think turning the corner.

36. The Government-owned industrial concerns have been reconstituted into five joint stock companies and it is expected that they will soon undertake expansion programmes. The Kerala State industrial Development Corporation is vigorously pursuing its efforts at promoting private sector industries. At present the Corporation is taking steps to sponsor the establishment of a cast iron spun pipe plant, a steel casting foundry, a marine diesel engine factory and a starch factory. Besides, it has given financial assistance to seventeen other industrial concerns. The possibility of setting up a number of other industries is also being investigated. Contacts with reputed business firms both inside and outside India are being established for this purpose. The Government propose to invest Rs. 50 lakhs in the Kerala State industrial Development Corporation next year so as to enable it to continue to render financial assistance to deserving enterprises.

37. Schemes for development of small scale industries, handlooms and coir will also continue to receive special attention during the coming year.

38. Our industries have taken up the supply of materials to the Defence Department. Last year they supplied materials valued at Rs. 225·18 lakhs. This year it has increased to Rs. 244 lakhs.

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